

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

January 11, 2012

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Meeting Date: January 11, 2012

Called to Order: 6:02 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Michael Naughton, Andrew Killeen, Roy Rosenblatt and Lynn Reynolds

Board of Selectmen Members Present: Christopher Boutwell and Mark Fairbrother (Pat Allen was absent)

Others Present: Frank Abbondanzio (Town Administrator) and Carolyn Olsen (Town Accountant)

New Member

New Finance Committee Roy Rosenblatt was welcomed.

Minutes

Finance Committee Moved:

To approve the minutes of December 7, 2011.

Vote: 4 In Favor 0 Opposed 1 Abstained

Department Head Questions

- Past practice has been to meet with major department heads but meet with smaller department heads only when there are specific questions.
- Mr. Hanold noted that many questions can be asked and answered via e-mail rather than having department heads appear in person.
- Mr. Hanold suggested meeting with Police, DPW, Board of Health and Board of Assessors. The first two because of the size of the budget, and the second two due to changes in scope or activity.
- It was agreed that supplemental requests regarding reclassifications of employees should be handled through the proposed pay and classification study.
- Related to the supplemental request for reclassification of Water Pollution Control Facility employees, Mr. Abbondanzio brought forth a request from those employees to have a one hour presentation on what they do and what they have achieved. Mr. Abbondanzio suggested that this be condensed to a 15 minute presentation and that the opportunity be provided for any interested department. The Board of Selectmen has requested that these presentations be held at joint meetings with the Finance Committee. Mr. Hanold will notify departments of this opportunity.
- Mr. Hanold suggested that the Debt and Benefits budgets, while large, do not require much explanation. Mr. Naughton disagreed and thinks that those budgets would be good candidates for a 15 minute presentation.
- Mr. Killeen asked for a network diagram of the town's Information Technology system.
- Mr. Naughton requested a debt schedule showing future obligations by fiscal year for all current debt.

- No other questions (other than the ones provided by Mr. Hanold and Mr. Naughton - copies at end of minutes) were offered.
- Mr. Hanold would recommend increasing the legal budget request given the above information and recent history of expenses.

Industrial Park Committee Update

Mr. Abbondanzio reported that there will be a public hearing on February 1st at 6:30 at the Public Safety Facility by the consultant on work done to date, including the feasibility study for the DPW facility. The solar project is dead because there were no good proposals received. No proposals were even revenue neutral. Ms. Reynolds asked the difference between our situation and the Town of Greenfield, which is receiving significant revenue. Mr. Abbondanzio noted that a main difference could be the grants available to Greenfield. Since February 1st is a Finance Committee meeting date, Mr. Killeen will attend the public hearing on behalf of the Finance Committee unless the public hearing date is changed.

Technical Panel Update

- Mr. Naughton sent the most recent version of Table B and supporting documents via e-mail earlier. Those figures don't have the actual Montague estimated revenue yet, and we are likely to come up with a different number. Table B also currently assumes a 3% increase in Chapter 70.
- Mr. Abbondanzio noted that the current proposal show \$250,000 of Excess and Deficiency. We were just notified that the district will have to return some Excess and Deficiency to Montague because they have more than their limit, so Mr. Abbondanzio asked why they are only contributing \$250,000. Mr. Naughton noted that this number is subject to change.
- Mr. Naughton also noted that since Montague is spending well above our foundation level, the state's response to any request for additional state funding is that we have plenty of funding available.

Mr. Hanold reported on the School Committee meeting which he attended last night.

- The proposed budget increase is 2.4% and they plan to apply \$250,000 of Excess and Deficiency to the Fiscal Year 2013 budget.
- The School Committee seemed well aware of the compact assumptions.
- One piece of good news in the budget is that one student whose special education cost was significant has aged out of the system.
- The charter census is higher, but school choice is slowly moving in the district's favor.
- The district is not following the compact on some of the revenue estimates, but is using what they feel are more accurate estimates.
- Salary increases struck Mr. Hanold as high compared to the town, but was told that they are simply following their contracts. Mr. Hanold shared Lynn Bassett's statement that an increase in the chapter 70 funding led to a salary increase in the union contracts. Mr. Naughton stated his understanding that if Chapter 70 funding

goes above a certain level, the staff gets part of that increase. Salaries make up 77% of the district's budget.

- The district has health insurance through the Group Insurance Commission, which is projecting a 5% increase. By comparison, the town is expecting fairly flat health insurance costs.
- The total proposed budget is \$16,774,424, and they will vote on it at their next meeting on January 24th.
- Mr. Hanold proposed providing them with our estimated affordable assessment prior to that vote. Mr. Killeen asked what we were going to provide as an affordable assessment. Mr. Hanold suggested that we use the same procedure we have in the past with current estimates. Mr. Killeen then suggested striking the second item from the list of future items (Review what is "affordable assessment" and how do we calculate it).
- Mr. Naughton remembered a previous year that the school committee voted on a budget by January 31st while stating that it was meaningless because it was nowhere near a final budget.

Special Town Meeting Update

There is no Special Town Meeting scheduled. Mr. Hanold suggested that the pay and classification study be put on the first available special town meeting rather than waiting until the annual town meeting. Other finance committee members concurred with this suggestion.

Topics not anticipated within the 48 hour posting requirement

List of Documents and Exhibits –

- Minute of November 16, 2011
- Minutes of December 7, 2011

Next Meetings

- 6:00 PM January 18, 2012
- 6:00 PM January 25, 2012

Adjourned 7:45 PM

Additional Documents

1. Mr. Naughton submitted the following questions via e-mail:
 - Building Inspector's budget: I'd like a list of the buildings that the town is currently dealing with, either owned by the town or other parties (e.g. Railroad Salvage, Strathmore), along with a brief description of how/why the town is involved, a synopsis of what has happened so far, and what the town's ultimate goal is with these properties. It was suggested that Mr. Abbondanzio or the Board of Selectmen will be able to address this question at a future meeting.

- Legal budget: I'd like a list of the currently active legal cases in which the town is involved, which would include (at a minimum) the parties involved, a brief description of the issue, and a synopsis of what has happened so far.
Mr. Abbondanzio responded with:

Current Legal

1. B&M Railroad - Outstanding issues relating to enforcement actions taken by the Conservation Commission more than a decade ago. Case involves town, B&M railroad and State DPW. Case near to resolution.
2. Railroad Salvage – Legal assistance to Building Department, on an as needed basis, relating to outstanding enforcement order. Current owner is in violation of order to demolish the building.
3. Millers Falls – East Main Street (Golrick, Jackson, Conley, Farrick). Follow-up legal action related to Land Court action that resulted in the Town taking ownership of property. Legal action includes support of 21E (hazardous waste), eviction of tenants, and RFP disposal process. This case will continue to dominate town's counsel's docket until the property is transferred to a new owner/owners and privately redeveloped and/or Land Court vacates its decree and allows the former owner(s) to taken possession of the properties again.
4. Strathmore Pedestrian Bridge - The Town is currently working with counsel to negotiate an agreement with the utility company that would result in the transfer of ownership of the bridge over the Power Canal to the Town along with funds to maintain the facility. This issue is being discussed in connection with the transfer of an easement for a spillway at Strathmore that is being sought through eminent domain by the utility company. Hoping that upcoming meeting produces some resolution.
5. Millers Falls Inter-municipal Sewer Agreement. Counsel is currently advising the town on the legal obligations of the town to fund capital improvements at the Millers Falls treatment plant, given that the town of Erving is in breach of contract, by virtue of not involving Montague in the planning of major capital improvements. The town is also exploring the costs and benefits of an engineering alternative that would include ending the Inter-municipal agreement and sending Millers Falls sewage to the Montague plant via a new force main or collector sewer. This alternative should be ready for town meeting action this Spring. Legal action relating to differences of opinion in the interpretation of the inter-municipal agreement may occur.
6. Airport - Outstanding issues relating to future development at the airport as it relates to the town's obligations to involve Native Americans in the evaluation of potential environment impacts.
7. Labor – Our labor attorney is currently negotiating collective bargaining agreements with two of the three unions for this year and next. The town's contract with the Police is now in place through FY 2013, due to the recent binding arbitration agreement.

2. Mr. Hanold sent the following via e-mail:

MONTAGUE FY2013 BUDGETING

For Finance Committee 7 December 2011

Highlights for January and February 2012

- 4 January:
 - Operating Budget requests (Level Services) due 29 December 2011 to Accountant, so first budget file available by today
 - Update on any Tech Panel or Industrial Park committee work affecting FinComm
- 11 January:
 - Consolidate questions for Dept Heads to address (by email or in hearings), issue to dept heads after meeting (see examples below).
 - Decide which depts. we wish to hear in person 25 January
 - Any discussion related to a Spec. Town Meeting, if one is developing
- 18 January:
 - Endorse Schedules I and II of Annual Town Meeting Report (salaries and rates for ranges and individuals)
 - Endorse “Affordable Assessment” calculation, issue to G-M School Committee
- 25 January: Hearings for General Gov’t group, as selected 11 Jan.
- 1 February: Public Safety depts. (Police & Dispatch only, unless Bldg Inspection chosen as well)
- 8 February: Public Works and Wastewater Treatment
- 15 February:
 - Expansion-day for earlier hearings, if needed
 - Review of assumptions for Benefits-Debt-Vets etc.
 - Remaining depts (Health, Parks, Library, etc.). if chosen 11 Jan
- 22 February:
 - Revisit Revenue and Aff. Assess. Assumptions
 - Tech School
- 29 February: Allowance for weather or emergent events

Examples of Questions for Dept Heads

- Public Works, Police & Treatment Plant: What is timing/purpose of proposed changed staffing level? Does Operating request reflect likely make-up of dept staff?
- Treasurer & Legal: realism of requested Tax Title and Litigation Support (Level Service and/or Supplemental Request)
- Police, Info Technology, and Public Works: assurance that “discretionary spending” content is separable from Operations budget.
- Basis of Library budget’s conformity to State guidelines
- Any Dept that links an Operating request to a Capital request: what is Level Service vs. Supplemental request (early hint of Reserve needs)
- Airport: will revenue increase reduce town subsidy?
- Public Works & Treatment Plant: are Solid Waste and Sludge Trucking under contract, or is there another assumption?

- Utilities: Do estimates throughout depts. reflect time-line of Energy Savings Contract improvements?
3. Mr. Hanold presented the following at the meeting:

QUESTIONS FOR DEPT HEADS

Related to Level Services Budget Requests (email adequate?)

- 135 Acct - No issues
- 141 Assess – Adequacy of \$8.200 IT Discretionary.
- 145 Treas. - No issues
- 151 Legal – Status of pending and forecasted legal action: no increase needed?
- 161 Clerk - No issues
- 175 Planning – Support for Advertising, Other Svcs.
- 190 Utilities - Do estimates throughout depts. reflect time-line of Energy Savings Contract improvements?
- 241 Inspec – Status of town-owned buildings
- 423/433 Snow/Solid Waste – No issues
- 543/600 Vet Svcs/Airport – Need request; what change in subsidy of Airport?

Related to Level Services Budget Requests (personal appearance?)

- 141 Assess – See Supplem. Requests below.
- 211/212 Police - Dispatch salaries/hours, equipment status
- 420 DPW - Equipment status with respect to Lease/Discret. Special Articles.
 - Incorp. in Oper. Budget co-ordination/oversight of Streetscape and Town Hall painting by jail/volunteers
 - Incorp. in Oper. Budget needed window cleaning of town buildings
- 511 Health – Proposed re-arranged job content (incl. P/T Health Agent)

Related to Supplemental Budget Requests

- 122 BOS - Spec. Art. Sponsor Pay & Class study to deal with re-grade issues (Inspec, WPCF)
- 122/420 BOS/DPW - "Need" and resources should govern add of Mechanic, Groundskeeper (DPW), incorp. of streetscape responsibilities. May not need P&C results first.
- 122 BOS - Consequence of no P/T help
- 122/141 BOS/Assess - Co-ordination of Town-wide (non-Police?) IT administration & equipment planning. Incl. Library/COA/DPW; defer hire till Pay & Class study evaluates task and description.
- TH Core - (BOS, Clerk, Treas., Assess., Inspec., Plan, Health) Administrator lead creation of storage-space upgrade and allocation plan. Cost to Shared Services?

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TH Core - (BOS, Clerk, Treas., Assess., Inspec., Plan, Health) Administrator lead creation of plan for common-equipment procurement (Assess files, Inspec scanner, etc.) Cost to Shared Services?

161 Clerk – Proposal from Brown River missing: Economies if more books done?

420 DPW - Town Hall Maint: See Above, Level Services

610 Library - Conseq of no computers (is there an equip upgrade plan? Part of town-wide IT above?)